



# California Public Utilities Commission

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## News Release

FOR IMMEDIATE RELEASE

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### **PUC STAFF REACHES TENTATIVE SETTLEMENT WITH DYNEGY IN REFUND CASE**

SAN FRANCISCO, April 26, 2004 – Staff of the California Public Utilities Commission (PUC) today announced that the California Parties reached a settlement with Dynegy regarding the Refund Case and related cases. The settlement is subject to approval by the PUC. Commission staff is pleased with the settlement and will recommend approval by the PUC of Definitive Agreements that substantially incorporate the terms of the settlement, and that the PUC become a party to the Definitive Agreements.

“The Commission will look carefully at this settlement and determine whether to give our approval, but our staff has recommended what they feel is in the best interest of consumers and the state,” said PUC President Michael R. Peevey. “The proposed settlement returns money to California and is the result of the hard work and determination of our staff working with the rest of the California Parties on behalf of ratepayers. I’m pleased that this settlement appears to be another step in repairing some of the damage done to the state during the energy crisis.”

The highlights of the settlement are:

- Dynegy will pay 100 percent of refunds it owes pursuant to existing Federal Energy Regulatory Commission (FERC) orders, adjusted for partial recovery of claimed “gas adder” costs;
- Dynegy will pay an additional \$65.5 million to settle claims related to summer 2000 and other claims;
- Dynegy will make payment by: (1) payment of \$22.5 million in cash; and (2) assignment of its unpaid receivables (\$259 million), plus net interest. Net interest is currently expected to increase the value of the deal by approximately \$12.2 million;

- All parties to the Refund Case will be invited to opt-in to the deal and receive an allocated share of refunds;
- Claims relating to the Dynegy-California Department of Water Resources long-term contract, and the California Attorney General's civil claims, are excluded;
- The settlement is subject to FERC and PUC approval.

For more information on the PUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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